

NOTE FOR FINANCE COMMITTEE

Grant Rates under the School Textbook Assistance Scheme

INTRODUCTION

This Note informs Members of the rates of grants under the School Textbook Assistance Scheme (STAS) for the 2004/05 school year.

RATES OF TEXTBOOK AND FLAT RATE GRANTS

2. In accordance with the annual adjustment mechanism approved by the Finance Committee, the Government has promulgated the following rates of textbook grant and the flat rate grant for the 2004/05 school year -

Class Level	2003 / 04 school year (\$ per student per annum)			2004 / 05 school year (\$ per student per annum)		
	Textbook grant	Flat rate grant	Overall grant rate	Textbook grant	Flat rate grant	Overall grant rate
Primary 1 to 6	1,458	374	1,832	1,454	364	1,818
Secondary 1 to 3	2,108	374	2,482	2,188	364	2,552
Secondary 4	2,156	374	2,530	2,258	364	2,622
Secondary 5	1,058	374	1,432	1,052	364	1,416
Secondary 6	1,780	374	2,154	1,788	364	2,152
Secondary 7	570	374	944	650	364	1,014

/BACKGROUND

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3. The STAS provides cash grants to eligible Primary 1 to Secondary 7 students in government schools, aided schools, caput schools and local schools under the Direct Subsidy Scheme. The assistance comprises a textbook grant for purchasing essential textbooks and a flat rate grant to cover miscellaneous school-related expenses. Successful applicants receive full rate grant or half rate grant depending on the outcome of the means test.

4. For the textbook grant, Members have authorised the Administration to revise annually the grant rates, having regard to the average costs of textbooks for the various levels of studies. The average costs are based on a survey (conducted in the summer preceding the start of the school year) of the actual costs of textbooks required by sample schools. In accordance with the established mechanism, the grant rates will be adjusted according to any changes in actual costs reflected in the survey.

5. As regards the flat rate grant, it was introduced with the approval of Members on 26 May 2000, to replace the previous stationery grant under the STAS with effect from the 2000/01 school year. On the same occasion, Members authorised the Administration to approve future revisions of the flat rate grant according to the movement of the Composite Consumer Price Index (CCPI). The CCPI has dropped 2.2% on average between the 12 months ended June 2003 and the 12 months ended June 2004.

6. We undertook to inform Members annually of the revisions of the grant rates under STAS approved under delegated authority.
